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SUBJECT: (IMI) BRIEF OVERVIEW OF ARMENIA'S FRUIT JUICE
SECTOR

SUMMARY

1. This cable provides a brief overview of Armenia's juice industry for those interested in trade and investment opportunities in Armenia. It also includes a list of key contacts in this sector. For more information contact the BISNIS representative or the Economic and Commercial Officer at the U.S. Embassy, Yerevan. End Summary.

NATURAL FRUIT JUICE

2. Juice processing is a growing sector of Armenia's food processing and packaging industry. This market offers opportunities for U.S. business interested in direct investment, exporters of juice concentrates, and manufacturers of juice processing and packaging equipment. Juice producers are looking for new technologies to expand their shares of the local market and to increase exports.

3. Armenia produces high quality fruits and vegetables, which grow mostly in the fertile and well-watered Ararat valley between Mount Ararat and Mount Aragats. Over the past five years the fruit juice industry has expanded rapidly, and domestic production has almost entirely replaced imports. In 2003 packaged natural juice production increased by 70 percent on the previous year. Several fruit juice producers have renovated old facilities, installed new processing and packaging lines, and used both locally produced and imported concentrates to produce higher quality drinks. The Armenian natural fruit juice market is divided between several privately owned domestic producers, including Euroterm, SIS Natural, Tamara Fruit, Yerevan Beer, Zovq, and a few fruit juice importers.

LOCAL PRODUCERS

4. Euroterm JSC: Established in 1998, Euroterm is now the largest local producer of natural fruit juices in Armenia. The company has invested more than USD 5 million to install a Tetra Pak fruit juice processing and packaging line imported from Sweden. Currently the company produces 3 million liters of juice annually in 1L or 0.25L packages. In 2003, the company produced 1,400 tons of juices out of which 850 tons were exported to Russia, USA, Belarus, Lebanon, France, and Japan. Euroterm imports packaging materials, mostly from Sweden, and fruit concentrates, mainly exotic fruit purees. Euroterm seeks a foreign partner that could increase Euroterm's working capital to expand the purchases of raw materials. The company employs 120 specialists and 300 seasonal employees.

Contact: Vahe Ghazaryan, General Manager
15a Amiryan street
Yerevan-10
Tel: (374-1) 53-84-45
Fax: (374-1) 53-75-71
E-mail: euroterm@arminco.com
www.noyan.am

5. SIS Natural JSC: Established in 2000, SIS Natural produces 30 types of fruit, berry, vegetable, and citrus juices packed in 1L and 0.25L glass bottles. Some of the juices are made using cold pressing technology. The company also produces rose hip nectar, pomegranate and sea-buckthorn juices that have become popular in the local and export markets. SIS Natural seeks foreign partners to help expand its production and provide access to foreign markets.

Contact: Armen Hakobyan, President
2 Mamikonyants Street

Yerevan-14
Armenia
Tel: (374-1) 23-33-36
Fax: (374-1) 23-55-33
E-mail: armsis@arminco.com

16. Tamara JSC: Tamara is a private food processing company established in 1988 that boasts the local markets most popular ice cream. In 2001 the company purchased the Carbi cannery in Aragatsotn province of Armenia and started the production of natural fruit juices marketed in 1L and 0.33L glass bottles. The company's products are exported to Russia and the United States.

Contact: Boris Hovhannisyan, Chairman
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www.tamara.am

17. Yerevan Beer JSC: One of Armenia's largest beer producers, Yerevan Beer also produces natural fruit juices in 1L, 0.5L, and 0.25L packages.

Contact: Hakob Hakobyan, Managing Director
8 Admiral Isakov Ave.
Yerevan-82
Armenia
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18. Zovq JSC: The former state-owned plant was privatized by the SIL Group in 1997. The Armenian - UAE joint venture produces natural fruit juices packed in 1.5L, 1L, and 0.25L plastic and glass bottles.

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IMPORTED FRUIT JUICES

19. The imported fruit juices market has been declining as domestic production replaces much of the market. These are the major imports:

BRAND/PRODUCER	AVERAGE RETAIL PRICE FOR 1L PACK
Queen's/Litex (Bulgaria)	USD 1.15
Chiquita Italy/USA	USD 1.20
Pfanner, Rauch (Austria)	USD 1.90
Santal/Parmalat (Italy)	USD 2.20

KEY CONTACTS

U.S. Department of Agriculture's Marketing Assistance
Project
74 Teryan street, Yerevan, Armenia
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Armenian Development Agency
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